

EDA Investments: Important to Maine

Friday, April 01 2011

Maine Marine Energy Center - serving Washington County and the City of Eastport

The EDA funding received for the work in Eastport has been invaluable. Yesterday (3/24/11) we reviewed proposals from three vendors for the upcoming renovation work to the Eastport mill facility. Next week we meet with the two finalists to review their proposals in detail; we are on schedule. None of this work would have been possible without the backing of EDA funding. Washington County is on the cutting edge of tidal power development and brink of expansion. Establishing a facility in Eastport that will initially support a new business entity in Eastport makes good sense. The potential for that facility to expand its product lines is exciting. Washington County is the beginning of the world, not the end as so many perceive. Congressman Michaud's support of continued EDA funding is most appreciated and valued by those of us on the ground.

- Betsy Fitzgerald, Washington County Manager

University of Maine's Knowledge Transfer Alliance (KTA) - serving northern, eastern, and central Maine

The University of Maine's Knowledge Transfer Alliance (KTA) was designed to address the needs of disaster-impacted businesses and communities with a three-year program of cluster-focused, team-based business technical assistance wherein the University uses faculty, graduate students and contracted experts to provide in-depth managerial, technical and strategic assistance to employers struggling to recover from natural and economic disasters. The program focuses on improving the resilience of the most vulnerable businesses where failure or downsizing would have significant economic impact, improving the performance of high-potential employers, and assisting promising new ventures. Overall, the KTA is designed to develop sustainable, transferrable skills to strengthen business resilience against future contingencies, and maximize their job creation and private investment performance.

Progress-to-Date

Since gearing up in early 2010 the KTA has developed a list of more than 200 active business and community clients, and the program's positive impact is being felt throughout the state. Two examples of KTA impact are:

Wallace Brothers Woodcrafters, LLC - Wallace Brothers manufactures high-end wooden fishing nets. KTA provided a cost analysis, accounting and energy efficiency audits, and analyzed production methods. University engineers significantly improved the company's production rate and safety by recommending changes to equipment locations and work flows, and graduate students designed a new logo and created a comprehensive marketing campaign. Production volume increased from 3,000 nets to approximately 9,000 by the end of 2010, and the company expects a 60% sales increase in 2011.

Sovereign Moosehead LLC - Sovereign Moosehead purchased the closed Moosehead Manufacturing Company (furniture) and Saunders Mill (wood products) in 2010 with the intention of returning their facilities to operations and re-creating wood products manufacturing jobs. The KTA provided in-depth assistance from acquisition planning, financial modeling and production process improvement to hiring and plant re-start. In the past three months Sovereign Moosehead has hired more forty new employees, and is expected to continue hiring as business solidifies. Sovereign CEO Louise Jonaitis said that "Having the KTA during this rescue and start-up of two fairly complicated businesses was like having a giant Business SIM card that I could plug into my business, as needed, download some advice, select from a menu of expertise, and know that I had storehouse of no-nonsense facts and intelligence that I could rely on."

The KTA anticipates that by the end of Year 2 the program's engagements will have generated well over \$5-6 million in additional revenue for clients, and result in 250-300 new jobs at all levels within their businesses. Additionally, the State of New Hampshire is very interested in the KTA model and has made several visits to the university to study the program and its operations.

- Hugh Stevens, Director of the Knowledge Transfer Alliance, School of Economics, University of Maine

Water System Improvements at the Loring Development Authority in Limestone

(application in process)

The EDA application of the Loring Development Authority requests assistance to complete a critical water system infrastructure project supporting existing and potential future regional employment and business activity at Loring Commerce Centre.

The Loring Air Force Base closed under the BRAC process in 1994 creating major employment losses, population losses and economic dislocation in Aroostook County, Maine. Since the closure, the region's economic recovery has depended heavily on the redevelopment of Loring. With over 1300 new jobs, the Loring Commerce Centre has more than replaced the civilian workforce previously associated with the Air Force Base (1100) and diverse new economic activity has taken hold in manufacturing, financial and accounting services, research and development, aviation, education, agriculture, and more.

Because of widespread contamination of the groundwater by the Air Force, wells as a source of drinking water are not possible and Loring-based employers must rely on the off-site water treatment facility built by the Air Force in the late 1950's. Along with the Loring's water distribution system, the treatment plant is in serious need of renovations requiring a major capital outlay. A failure of the water treatment system would place nearly all Loring jobs in jeopardy along with an estimated \$45 - 50 million of payroll, not to mention the negative impact associated with indirect losses to the state's economy.

The funding sought through EDA would assist the LDA to make improvements to the water treatment and distribution system assuring the reliable future operation of this critical infrastructure and allowing the plant to meet current and future drinking water standards. A reliable water system is extremely important to the continued redevelopment of Loring which is otherwise positioned to create significant numbers of additional jobs in the future. The project also provides environmental benefits – the clustering of development at Loring helps to protect the region's valuable farmland resources and the natural environment from sprawl. Additionally, the fishway at the treatment facility's dam would be rehabilitated to help restore fish habitat upstream of the facility.

- Carl W. Flora, President & CEO, Loring Development Authority of Maine